

THE EVOLUTION OF THE LITHUANIAN-AMERICAN PARTNERSHIP

I would like to express my sincere gratitude to the staff of the United States Agency for International Development for the program on Open Legislative Process that was organized at the Seimas of the Republic of Lithuania on December 9, 1998. It was one of the first steps towards traditions of open hearings that are now being made in Lithuania. I strongly believe that [this initiative has] created significant momentum towards improving legislative procedures and increasing NGO participation in the legislative process.



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Prime Minister of the
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USAID did a great job in developing and reforming Lithuania's economy and society. I am pleased that the USAID program involved social security matters. It helped Lithuania to take its first steps towards a market-oriented economy. Also, it helped the Ministry of Social Security and Labor in creating the social security system.

The USAID program started in Lithuania in 1992. Initially, the program was a broad-based effort designed to reach as many segments of the transforming society as possible. Key activities were begun in nearly all sectors. These activities successfully showed U.S. support for reform throughout the country.

Responding directly to issues arising from Lithuanian independence, USAID initiated a program targeted at: developing the private sector, stabilizing the energy sector, protecting the environment, strengthening democratic institutions, and providing training opportunities. The results attest to the success of USAID's early strategy. Some examples of programs between 1992 and 1995 include:

- Private sector development targeted four specific areas: financial sector reform, small and medium enterprise development, and agricultural and legal reform.
- Financial sector reforms concentrated on developing a sound banking system, strengthening fiscal management, and establishing a viable capital market.
- The Baltic American Enterprise Fund was established to provide \$50 million for investments in support of small and medium enterprises.
- Agricultural programs provided grassroots support to dairy farmers to improve grazing practices, veterinary care, farm sanitation, and raw milk quality resulting in increased agricultural production.
- Food processing industries received assistance to modernize facilities and processes, to improve distribution, and to enhance marketing structures resulting in significant growth in these small and medium enterprises.
- Agricultural policy reforms focused on development of trade associations, price structures, and income support policies, stabilizing production and marketing within the agricultural sector.
- Support for legal reform, including developing commercial law, revising competition policy, laws, and regulations; refining anti-trust and privatization legislation; and carrying out sound competition and consumer protection law enforcement and advocacy.
- The American Bar Association Central and East European Law Initiative provided a series of resident specialists and short-term advisors to address specific legal topics and analyze draft legislation at the request of the Government of Lithuania.

- Seminars on trade unionism, democracy and the transition to a market economy, worker safety, health, labor law enforcement, privatization, and the payment of social insurance benefits.

- A Public Administration program increased the capacity of local governments to govern in a more transparent, participatory manner.

- Assistance in building strong and independent parliamentary institutions functioning in a multi-party democratic environment.

In 1996, USAID reviewed the progress achieved and decided to sharpen the focus of its program. In partnership with the Lithuanian Government, Parliament, representatives of the business sector, and non-governmental leaders, USAID prepared a four-tiered strategy to: 1) strengthen fiscal management, 2) forge a more stable financial environment, 3) improve safety and policy in the energy sector, and 4) promote the development of civil society and non-governmental organizations. USAID also supported enterprise development and improved regional cooperation in environmental monitoring. One cross cutting component of USAID's program was an intensive training program that has benefited more than 1,500 people in all sectors.

Between 1992 and 2000, the United States Government has provided over \$90 million in technical assistance, training, equipment, and investments to the Republic of Lithuania in support of this partnership.

■ A Land O'Lakes expert provides training on key dairy business practices

■ Participants learn about small business development visiting a Hy-Vee Food and Drug store

■ Agricultural programs introduce new technology and testing techniques to milk producers

■ Training in the U.S. and on-site consultations result in higher milk quality and increased production

